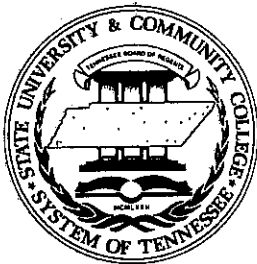


CONTRACT #3
RFS # N/A

Tennessee Board of Regents
East Tennessee State
University (ETSU)

VENDOR:
Tennessee Rural Health
Recruitment and Retention
Center
d.b.a.
The Rural Partnership



Tennessee Board of Regents

1415 Murfreesboro Road - Suite 350 - Nashville, Tennessee 37217-2833
(615) 366-4400 FAX (615) 366-4464

October 22, 2007

RECEIVED

OCT 25 2007

FISCAL REVIEW

Ms. Leni S. Chick
Fiscal Analyst
Rachel Jackson Building, 8th Floor
Nashville, TN 37243

Dear Ms. Chick:

Enclosed please find an Amendment between the East Tennessee State University and the Tennessee Rural Health Recruitment and Retention Center for the renewal of their existing Agreement to accept funds for medical schools to develop and manage a new TennCare Revised Residency Stipend Program. The original Agreement was approved by Fiscal Review at the November 16, 2006 meeting, with the stipulation that any renewals be submitted back to the committee for approval.

Per Fiscal Review's request to see non-competitive agreements/amendments, and the amount and term involved with this amendment, we are submitting this for approval to the Committee. **Please contact me regarding the date this will go before the Fiscal Review Committee and I will inform the representatives to insure they are present for the meeting in which the contract will be discussed.** If you have any questions, please do not hesitate to contact me at 366-4436.

Information regarding the contract may be sent to my attention at the Tennessee Board of Regents, 1415 Murfreesboro Road, Suite 350, Nashville, Tennessee 37217.

Sincerely,

Angela A. Gregory
Director of Purchasing and Contracts

cc: Charles Manning
Bob Adams
David Collins, ETSU
Greg Wilgocki, ETSU

Austin Peay State University • East Tennessee State University • Middle Tennessee State University • Tennessee State University
Tennessee Technological University • University of Memphis • Chattanooga State Technical Community College
Cleveland State Community College • Columbia State Community College • Dyersburg State Community College
Jackson State Community College • Motlow State Community College • Pellissippi State Technical Community College
Roane State Community College • Southwest Tennessee Community College • Volunteer State Community College
Walters State Community College • Nashville State Technical Community College • Northeast State Technical Community College
The Tennessee Technology Centers

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

RECEIVED

OCT 25 2007

Commissioner of Finance & Administration

Date:

FISCAL REVIEW

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS #

N/A

2) State Agency Name :

Tennessee Board of Regents - ETSU

EXISTING CONTRACT INFORMATION

3) Service Caption :

Tennessee Rural Health Recruitment and Retention Center

4) Contractor :

Tennessee Rural Health Recruitment and Retention Center

5) Contract #

344.02-607

6) Contract Start Date :

1/1/2006

7) Current Contract End Date IF all Options to Extend the Contract are Exercised :

12/31/2011

8) Current Total Maximum Cost IF all Options to Extend the Contract are Exercised :

\$1,651,005.00

PROPOSED AMENDMENT INFORMATION

9) Proposed Amendment #

One

10) Proposed Amendment Effective Date :

(attached explanation required if date is < 60 days after F&A receipt)

1/1/2007

11) Proposed Contract End Date IF all Options to Extend the Contract are Exercised :

12/31/2011

12) Proposed Total Maximum Cost IF all Options to Extend the Contract are Exercised :

\$1,651,005.00

13) Approval Criteria :
(select one)

use of Non-Competitive Negotiation is in the best interest of the state



only one uniquely qualified service provider able to provide the service

14) Description of the Proposed Amendment Effects & Any Additional Service :

Extends the current contract and provides for additional annual renewals.

15) Explanation of Need for the Proposed Amendment :

ETSU in original contract reserved the right to extend contract for up to five additional periods. Fiscal Review required review after initial period.

d) Name & Address of Contractor's Current Principal Owner(s) :
(not required if proposed contractor is a state education institution)

TRHRRRC, Inc., 500 Interstate Blvd., South, Suite 203, Nashville, TN 37210

-501(c) (3) – not for profit. The corporation with board membership represents rural health interests and appointed representatives from each of the four Tennessee medical schools.

17) Documentation of Office for Information Resources Endorsement :
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

18) Documentation of Department of Personnel Endorsement :
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

19) Documentation of State Architect Endorsement :
(required only if the subject service involves construction or real property related services)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

Services are not available elsewhere. The Tennessee Rural Health Recruitment and Retention Center was established for this purpose.

21) Justification for the Proposed Non-Competitive Amendment :

The proposed contractor, the Tennessee Rural Health Recruitment and Retention Center, was formed specifically to accept funds from all four medical schools to develop and manage a new TennCare Revised Residency Stipend Program. The comprehensive nature of the approaches taken by the new organization is expected to create demand for the stipends and to support a recruitment and placement process that will enable those who accept stipends to more easily find and locate in rural practice in Tennessee.

REQUESTING AGENCY HEAD SIGNATURE & DATE :

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)

Charles W. Manning RHA

10-22-07

Agency Head Signature

Date

CONTRACT SUMMARY SHEET

021406

RFS #				Contract #			
N/A				To be assigned			
State Agency				State Agency Division			
Tennessee Board of Regents				East Tennessee State University			
Contractor Name				Contractor ID # (FEIN or SSN)			
Tennessee Rural Health and Retention Center				<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 20-3037016			
Service Description							
Tennessee Rural Health Recruitment and Retention Services							
Contract BEGIN Date		Contract END Date		Subrecipient or Vendor?		CFDA #	
1/1/2006		12/31/2011		Vendor			
Mark Each TRUE Statement							
<input type="checkbox"/> Contractor is on STARS				<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts			
Allotment Code		Cost Center		Object Code		Fund	
318.66		910		134		11	
						on stars	
FY		State		Federal		Interdepartmental	
2006		\$158,247.00					
2007		\$331,724.00					
2008		\$331,724.00					
2009		\$331,724.00					
2010		\$331,724.00					
2011		\$165,862.00					
		\$ 1,651,005.00		\$ -		\$ -	
						\$ 1,651,005.00	
— COMPLETE FOR AMENDMENTS ONLY —				State Agency Fiscal Contact & Telephone #			
FY		Base Contract & Prior Amendments		THIS Amendment ONLY		<i>David W. Gell</i> 423-439-5854	
						State Agency Budget Officer Approval	
						<i>David W. Gell</i>	
						Funding Certification (certification, required by T.C.A. § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)	
TOTAL		\$ -		\$ -			
End Date							
Contractor Ownership (complete only for base contracts with contract # prefix FA or GR)							
<input type="checkbox"/> African American		<input type="checkbox"/> Person w/ Disability		<input type="checkbox"/> Hispanic		<input type="checkbox"/> Small Business	
<input type="checkbox"/> Asian		<input type="checkbox"/> Female		<input type="checkbox"/> Native American		<input checked="" type="checkbox"/> NOT disadvantaged	
						OTHER minority/disadvantaged—	
Contractor Selection Method (complete for ALL base contracts— N/A to amendments or delegated authorities)							
<input type="checkbox"/> RFP		<input type="checkbox"/> Competitive Negotiation		<input type="checkbox"/> Alternative Competitive Method			
<input checked="" type="checkbox"/> Non-Competitive Negotiation		<input type="checkbox"/> Negotiation w/ Government (eg, ID, GG, GU)		<input type="checkbox"/> Other			
Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)							
Renewal of existing contract previously approved by Fiscal Review. The proposed contractor, the Tennessee Rural Health Recruitment and Retention Center, was formed specifically to accept funds from all four medical schools to develop and manage a new TennCare Revised Residency Stipend Program. The comprehensive nature of the approaches taken by the new organization is expected to create demand for the stipends and to support a recruitment and placement process that will enable those who accept stipends to more easily find and locate in rural practices in Tennessee.							



The Rural Partnership

Connecting Physicians With Communities

The Rural Partnership

Formed in January 2006 with a voluntary Board of Directors including Associations and other stakeholders representing rural health care and the investing universities, The Rural Partnership's mission is to enhance statewide collaboration on workforce planning to better serve rural and underserved communities and health providers in Tennessee by assisting in the recruitment, placement and retention of physicians and other health professionals.

What services does The Rural Partnership offer?

Using Practice Sights, proprietary software developed by the North Carolina Foundation for Advanced Health Programs, The Rural Partnership systematically **matches** health providers to communities to achieve the most compatible **match** based on mutual need and long-term goals. The scope of services will include but not be exclusive of 1) residents' support; 2) community readiness assessment, and 3) provider sourcing. The entire scope of services is currently being established by The Rural Partnership's board of directors and staff based on the North Carolina, Minnesota and other 3RNet member models.

How do communities become involved?

All of Tennessee's 91 non-urban counties are eligible to partner with The Rural Partnership to recruit health providers to their communities. A representative responsible for recruiting physicians to the area may contact The Rural Partnership at 615-242-7872 or at www.theruralpartnership.com. An annual participation fee of \$500.00 is required to obtain the services of the partnership. Communities will pay a placement fee based on a sliding scale which has been defined by community and/or entity size. These fees are much less than a community or entity would expect to pay a recruiting firm.

Fee	Facility Size
\$8,000*	Entity with more than 100 staffed beds or more than 30 providers
\$4,000*	Entity with less than 100 staffed beds or less than 30 providers
\$2,000*	Entity with less than 50 staffed beds and less than 10 providers
\$500*	FQHCs and CAHs providing Primary Care

*Does not include the \$500 participation fee

Corporate Goals

The Rural Partnership will enhance the provision of quality health care in rural and underserved communities in Tennessee one relationship at a time. . .

- by increasing access to healthcare for rural and underserved citizens in Tennessee;
- by increasing the supply of health professionals in rural and underserved areas in Tennessee;
- by assisting rural and underserved communities in defining specific healthcare provider needs and by identifying strategies to address those needs; and
- by offering a cost alternative to better **match** communities experiencing demand with appropriate health care providers.

For more information about The Rural Partnership, please contact:

Cindy Siler, Chief Executive Officer, cindy.siler@theruralpartnership.com

Jackie Cavnar, Chief Operating Officer, jackie.cavnar@theruralpartnership.com

T: 615.242.7872

F: 615.255.4121

www.theruralpartnership.com



The Rural Partnership

Connecting Physicians With Communities

The Rural Partnership

In January 2006, a voluntary Board of Directors including associations and other stakeholders representing rural health care and the investing universities formed The Rural Partnership to enhance statewide collaboration on workforce planning to better serve rural and underserved communities and health providers in Tennessee by assisting in the recruitment, placement and retention of physicians and other health professionals. The Rural Partnership works in

concert with the medical schools and residency programs at East Tennessee State University, The University of Tennessee, Meharry Medical College and Vanderbilt University to connect physicians with communities.

What services does The Rural Partnership offer?

Using Practice Sights, proprietary software developed by the North Carolina Foundation for Advanced Health Programs, The Rural Partnership systematically **matches** physicians to communities to achieve the most compatible **match** based on mutual need and long-term goals. The scope of services will include but not be exclusive of 1) residents' support; 2) community readiness assessment, and 3) provider sourcing. The entire scope of services is currently being established by The Rural Partnership's board of directors and staff based on the North Carolina, Minnesota and other 3RNet member models.

How do physicians become involved?

A physician only needs to complete a physician interview form at www.theruralpartnership.com or may request a form by contacting the staff at 615-242-7872. The Rural Partnership staff will work with physicians who are interested in serving one of Tennessee's rural and underserved communities. A staff member may also help physicians identify financial incentives such as the National Health Service Corps (NHSC) opportunities and Tennessee Residency Stipend opportunities. The Tennessee Demand Assessment, conducted in 2006, indicates that there are 226 primary care physician opportunities available in Tennessee. Many of these opportunities qualify for financial incentive programs.

Corporate Goals

The Rural Partnership will enhance the provision of quality health care in rural and underserved communities in Tennessee one relationship at a time. . .

- *by increasing access to healthcare for rural and underserved citizens in Tennessee;*
- *by increasing the supply of health professionals in rural and underserved areas in Tennessee;*
- *by assisting rural and underserved communities in defining specific healthcare provider needs and by identifying strategies to address those needs; and*
- *by offering a cost alternative to better **match** communities experiencing demand with appropriate health care providers.*

For more information about The Rural Partnership, please contact:

Cindy Siler, Chief Executive Officer; cindy.siler@theruralpartnership.com

Jackie Cavnar, Chief Operating Officer; jackie.cavnar@theruralpartnership.com

T: 615.242.7872 F: 615.255.4121 www.theruralpartnership.com

From the Knoxville News Sentinel

Rural areas need more doctors

The Associated Press
Sunday, September 23, 2007



Billy Kingsley/Associated Press

Dr. Deep Ahcarya, a third-year resident at East Tennessee State University, poses for a photograph in Franklin, Tenn., on Friday.

NASHVILLE — A Nashville-based nonprofit is working to recruit and retain doctors to work in rural and underserved areas in the state.

There are 605 vacant positions in rural Tennessee, and employers in small towns say it's harder to find doctors.

"Some people would rather live in a larger city because of the activities that a larger city offers: the plays, the concerts," said Dr. Jim King, a partner with Prime Care Medical Center, which has offices in Selmer, Henderson and Adamsville. "You have to drive an hour and a half to two hours to do those things (here)."

The Rural Partnership oversees a state stipend program that provides money for doctors who are willing to work in those areas. The stipend recently increased to \$25,000 a year to attract more participants.

"Our goal is to fill all 605 of those openings," said Jackie Cavnar, chief operating officer.

The partnership launched in April an online matching program that links doctors to openings in those underserved areas. The partnership also works with medical schools at

East Tennessee State University, Meharry Medical College, the University of Tennessee and Vanderbilt University to identify people who may want to apply.

Deep Acharya, a third-year resident at ETSU, said he came from a small town and can relate to the people.

"I think people in rural areas still have a pretty good heart," he said. "They see a doctor as someone who cares for them, instead of someone who's treating them to make the next payment on their Mercedes."

Health officials say unfilled positions leave rural populations without access to medical care and that health conditions can worsen over time if untreated.

Prime Care Medical Center just hired a new physician, and the offices now can extend hours of operation in order to serve more people, King said.

"Now the people who work in factories don't have to miss work to go to the doctor," King said.

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Saturday, 09/22/07

Nonprofit courts doctors for rural areas

Stipends make 600 vacancies more attractive

By CLAUDIA PINTO
Staff Writer

A rural medical practice in West Tennessee has been trying to hire a physician for three years.

"Some people would rather live in a larger city because of the activities that a larger city offers — the plays, the concerts," said Dr. Jim King, a partner with Prime Care Medical Center. "You have to drive an hour and a half to two hours to do those things."

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The practice was finally able to find someone with the help of the Rural Partnership, a Nashville-based nonprofit organization that seeks to recruit and



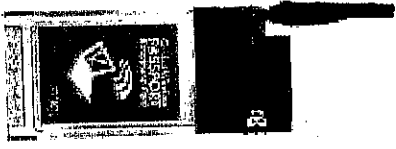
Dr. Deep Acharya traveled from his home in Johnson City to Franklin for a job fair to find opportunities through the Rural

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retain doctors in rural and underserved areas.

The Rural Partnership launched an online matching program in April to link doctors with job openings in underserved areas. It also oversees a state stipend program that is available to primary care doctors who are willing to work in those areas. The amount of the stipend was recently increased from \$15,000 a year to \$25,000 a year.

There are 605 vacant doctor positions in rural Tennessee, and 240 of those are in Middle Tennessee. Jackie Cavnar, the Rural Partnership's chief operating officer, said she hopes the initiatives will help change that.

"Our goal is to fill all 605 of those openings," Cavnar said.

Health officials say filling those positions will allow people in rural areas to have better access to care. They say this population often goes without treatment, their health worsens and they end up with serious medical conditions.

Prime Care Medical Center's new physician, Ryan Bartz, will start on Monday. King said the new hire will allow the offices in Selmer, Henderson and Adamsville to extend hours of operation from 7:30 a.m. to 5 p.m. to 7:30 a.m. to 7 p.m.

"Now the people who work in factories don't have to miss work to go to the doctor," King said.

41 apply for positions

Dr. Deep Acharya, a third-year resident at East Tennessee State University, says part of the

Partnership. (BILLY KINGSLEY / THE TENNESSEAN)



Dr. Joe Florence, left, director of Rural Programs at East Tennessee State University, talks with Dr. Deep Acharya, and his wife, Anjarami Ahongsangbam, about Rural Partnership. (BILLY KINGSLEY / THE TENNESSEAN)

Contact Claudia Pinto at 259-8277 or cpinto@tennessean.com.

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- 10 Comments

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reason he wants to work in the country is because he comes from a small town himself and can relate to the people.

"I think people in rural areas still have a pretty good heart," he said. "They see a doctor as someone who cares for them instead of someone who's treating them to make the next payment on their Mercedes."

Acharya is one of 41 people who have applied for jobs in underserved areas through the on-line matching program, dubbed Practice Sights. The Rural Partnership works with medical schools at East Tennessee State University, Meharry Medical College, the University of Tennessee and Vanderbilt University to identify people who may want to apply.

The program asks applicants for such information as salary requirements, whether they want to practice in a hospital, health clinic or alternative setting, and area of the state and size of the community they would like to live in.

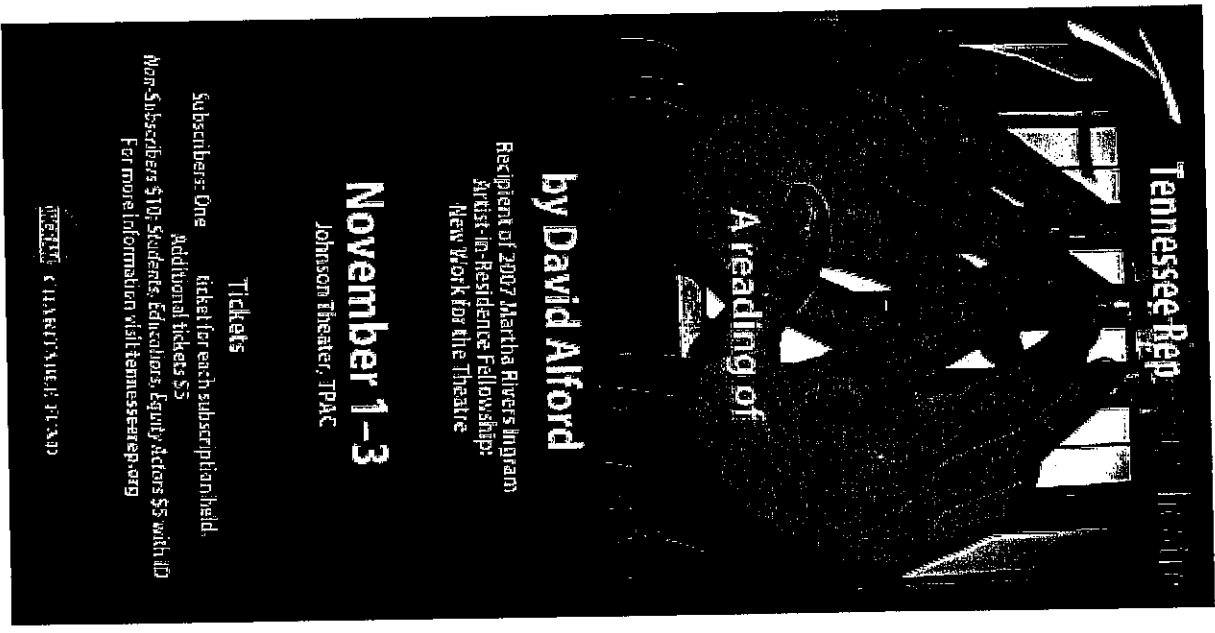
Of the 41 people who have applied, two have been hired. The cost of the system and its implementation is roughly \$30,000, according to Cindy Siler, the Rural Partnership's chief executive officer.

The increased state stipend may attract some doctors.

Siler said most doctors are \$150,000 to \$200,000 in debt once they become licensed to practice medicine. Resident physicians can now apply for a state stipend of \$25,000 a year for up to four years.

The stipend was \$15,000 a year for up to three years. However, that hasn't been enough to lure doctors to areas where there is a physician shortage. In the past 10 years, only seven doctors have participated in the program.

But for Acharya, practicing medicine in rural areas isn't about money. It's about going



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where the need is greatest.

"For me, a career is something where you make a decent living, but also do something with meaning," he said. "The effect that I will have on a community is much greater in a rural area."

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The Rural Partnership

Connecting Physicians With Communities

Our mission is to enhance statewide collaboration on workforce planning to better serve rural and underserved communities and health providers in Tennessee by assisting in the recruitment, placement and retention of physicians, physician assistants, advanced practice nurses and other health professionals.

In compliance with the Goals of the corporation:

1. to increase access to health care in rural and underserved
2. to increase the supply of health professionals
3. to assist communities in defining specific needs & identifying strategies to address those needs
4. to offer a cost effective alternative to best **match** for retention

UPDATE OF ACTIVITIES

Recruitment and Retention

Since April 2007, visited 40 Counties with placement opportunities, 20 placement opportunities are participating in the system as of September 30, 2007.

Since November 2006, presentations made to eight Family Medicine, two Internal Medicine, two Pediatric programs, and one OB/GYN residency program. 46 physicians currently participating in the system; 6 interviews and 2 placements.

1st placement in Selmer, McNairy Co.

Prime Care Medical Center

2nd placement in Baileyton, Greene Co.

Rural Health Consortium Inc.

Other recruitment of physicians has included:

Exhibiting at the American Academy of Family Physicians and the National Health Service Corp Scholars conference

Awareness/education/support:

A variety of presentations have been made to include but not exclusive to: Appalachian Regional Commission, Delta Regional Authority, Tennessee Primary Care Association, Tennessee Hospital Association Workforce Advisory Council and THA Small and Rural Hospital conference, The National Rural Health Association.

Revised the TN GME Stipend Program: \$25,000/yr, for a maximum of 4 years.

Approved by the Bureau of TennCare.

Formal announcement to be made at the Rural Health Association of TN Annual Conference in Gatlinburg, November 2007.

Changed the name in April 2007. www.theruralpartnership.com

For additional information contact:

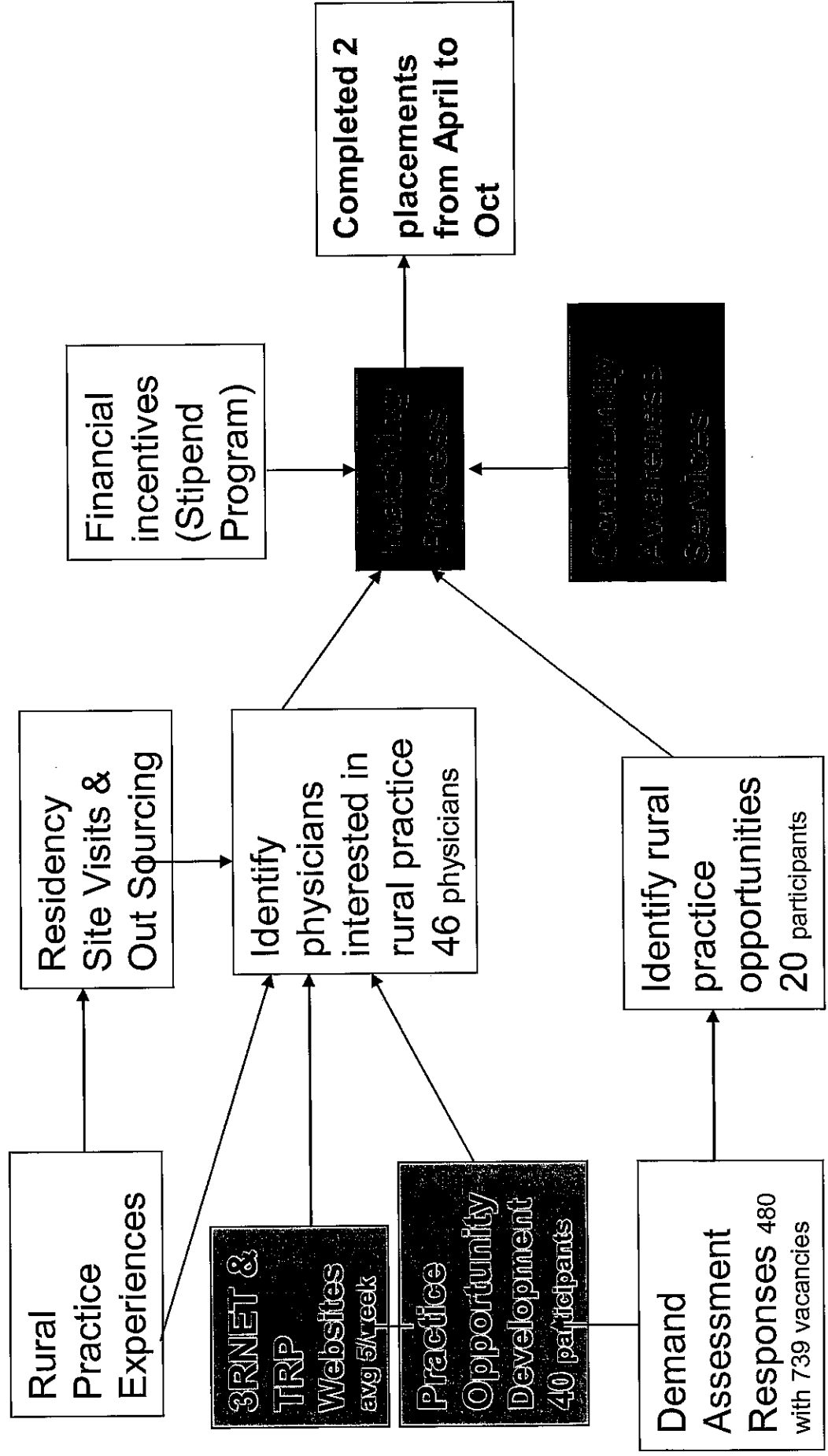
Cindy Siler 615-242-7872

How it all fits together:

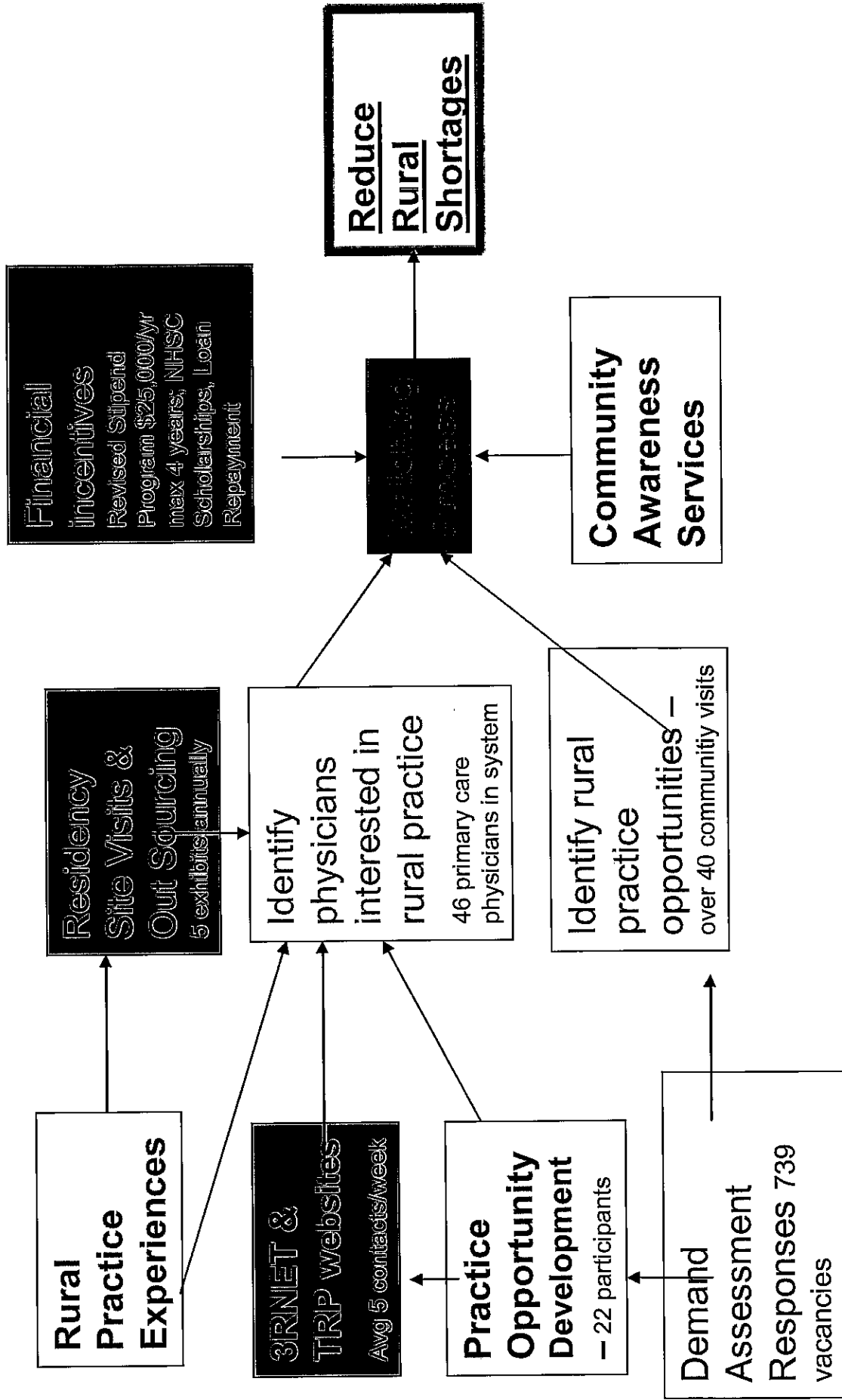
continued progression



The Rural Partnership
Connecting Physicians With Communities



How it all fits together: update 30 September 2007



AMENDMENT TO CONTRACT
BETWEEN
EAST TENNESSEE STATE UNIVERSITY
AND
TENNESSEE RURAL HEALTH RECRUITMENT AND RETENTION CENTER

This amendment, made this ___ day of ___, 2007, by and between East Tennessee State University, hereinafter referred to as "ETSU, and Tennessee Rural Health Recruitment and Retention Center (TRHRRC), hereinafter referred to as "Contractor".

WITNESSETH

WHEREAS, the parties desire to modify the terms and conditions to their original agreement dated January 1, 2006, the parties hereby agree as set forth below:

In accordance with the provisions of Item B.2. of the Contract, the parties wish to renew this agreement for an additional one year period from January 1, 2008 through December 31, 2008.

Prohibition on Hiring Illegal Immigrants. Tennessee Public Chapter No. 878 of 2006, TCA 12-4-24, requires that Contractor attest in writing that Contractor will not knowingly utilize the services of illegal immigrants in the performance of this Contract and will not knowingly utilize the services of any subcontractor, if permitted under this Contract, who will utilize the services of illegal immigrants in the performance of this contract. If Contractor is discovered to have breached the Attestation, the Commissioner of Finance and Administration shall declare that the Contractor shall be prohibited from contracting or submitting a bid to any Tennessee Board of Regents institution or any other state entity for a period of one (1) year from the date of discovery of the breach. Contractor may appeal the one (1) year by utilizing an appeals process in the Rules of Finance and Administration, Chapter 0620.

Subject to the modifications set forth in this amendment, the above reference original agreement dated January 1, 2006, between the parties is hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties, through their authorized representatives, have affixed the signatures below.

TENNESSEE RURAL HEALTH RECRUITMENT AND RETENTION CENTER:

Mr. Bill Jolley, MPA
President

Date

IN WITNESS WHEREOF, the parties, through their authorized representatives, have affixed the signatures below.

TENNESSEE RURAL HEALTH RECRUITMENT AND RETENTION CENTER:

Mr. Bill Jolley, MPA
President

Date

EAST TENNESSEE STATE UNIVERSITY:

Dr. Philip C. Bagnell
Dean, College of Medicine

Date

Dr. Wilsie S. Bishop
Vice President for Health Affairs

Date

Dr. Paul E. Stanton, Jr.
President

Date

TENNESSEE BOARD OF REGENTS:

Dr. Charles W. Manning
Chancellor

Date:

ATTACHMENT I

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

SIGNATURE &
DATE:

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North - 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

Rep. Charles Curtiss, Chairman
Representatives

Harry Brooks
Curt Cobb
Dennis Ferguson
Frank Niceley
Craig Fitzhugh, *ex officio*
Speaker Jimmy Naifeh, *ex officio*

Mary Pruitt
Donna Rowland
David Shepard
Curry Todd

Sen. Don McLeary, Vice-Chairman
Senators

Mae Beavers
Jim Bryson
Steve Cohen
Douglas Henry, *ex officio*
Lt. Governor John S. Wilder, *ex officio*

David Fowler
Steve Southerland

M E M O R A N D U M

TO: Dr. Charles Manning
Tennessee Board of Regents

FROM: Charles Curtiss, Chairman *cc*

DATE: November 16, 2006

SUBJECT: Contract Comments
(Contract Services Subcommittee Meeting 11/15/06)

RFS# N/A

Department: Tennessee Board of Regents/East TN State University

Contractor: TN Rural Health Recruitment & Retention Center (TRHRRC)

Summary: The medical schools in Tennessee receive annual funding from the TennCare Bureau to recruit and allocate stipend awards to post-graduate medical residents. ETSU, UT-Memphis, Vanderbilt and Meharry have pooled these Residency Stipend Program funds and have created a state-wide comprehensive program to create more demand for rural practice and to better manage the Stipend Program for these schools. This amendment extends the program on an additional year, through December 31, 2007 and increases the maximum liability by \$330,817.

Maximum liability: \$158,247 (actual expenditures)

Maximum liability if extended for five years: \$1,646,923

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment.

cc: Ms. Angela Gregory, Director of Purchasing and Contracts, TBR
Ms. Cindy Siler, Executive Director, TRHRRC

**AMENDMENT TO CONTRACT
BETWEEN
EAST TENNESSEE STATE UNIVERSITY
AND
TENNESSEE RURAL HEALTH RECRUITMENT AND RETENTION CENTER**

This amendment, made this 30 day of November, 2006, by and between East Tennessee State University, hereinafter referred to as "ETSU", and Tennessee Rural Health Recruitment and Retention Center (TRHRRC), hereinafter referred to as "Contractee".

WITNESSETH

WHEREAS, the parties desire to modify the terms and conditions to their original agreement dated January 1, 2006, the parties hereby agree as set forth below:

In accordance with the provisions of Item B.2. of the Contract, the parties wish to renew this agreement for an additional one year period from January 1, 2007 through December 31, 2007.

Subject to the modifications set forth in this amendment, the above reference original agreement dated January 1, 2006, between the parties is hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties, through their authorized representatives, have affixed the signatures below.

TENNESSEE RURAL HEALTH RECRUITMENT AND RETENTION CENTER:

William P. Pooley
President

12-07-06
Date

EAST TENNESSEE STATE UNIVERSITY:

Ronald D. Franks
Ronald D. Franks, MD

12/11/06
Date

Vice President for Health Affairs

Paul E. Stanton, Jr.
Paul E. Stanton, Jr., MD

12/13/06
Date

President

TENNESSEE BOARD OF REGENTS:

Charles W. Manning
Charles W. Manning, Chancellor RHA

12-19-06
Date

9.05.39

**CONTRACT
BETWEEN
EAST TENNESSEE STATE UNIVERSITY
AND
TENNESSEE RURAL HEALTH RECRUITMENT AND RETENTION CENTER**

This Contract, by and between East Tennessee State University hereinafter referred to as "ETSU" and the Tennessee Rural Health Recruitment and Retention Center (TRHRC), hereinafter referred to as the "Contractee," is for the coordination of a work plan to begin the implementation of the Revised TennCare Residency Stipend Program, as further defined in the "SCOPE OF SERVICES."

The Contractee is a not-for-profit corporation.

The Contractee's place of incorporation or organization is Tennessee.

A. SCOPE OF SERVICES:

- A.1. The Contractee will be established as a not-for-profit organization to manage the TennCare Residency Stipend Program with an application to the Internal Revenue Service for 501c3 tax exemption
- A.2. The Contractee will coordinate a work plan to engage relevant health professions education and rural health interests to begin the implementation of developing the new corporation that will administer the Revised TennCare Residency Stipend Program by creating and overseeing the following:
 - A.2.a. Recruitment and retention program matching residents and rural communities;
 - A.2.b. Rural experiences and curriculum for primary care residents; and
 - A.2.c. Rural experiences for specialty residents/fellows together with attending faculty physicians.
- A.3. The Contractee will prepare implementation of elements of statewide primary care Rural Resident Curriculum by:
 - A.3.a. Appointing a multi-institutional Rural Primary Care Curriculum Task Force;
 - A.3.b. Identifying graduate medical education program requirements and identifying cross-specialty requirements and determining how an inter-institutional curriculum shall meet the educational needs of medical residents while addressing the special needs of the state's TennCare population and its rural communities;
 - A.3.c. Developing recommendations for elements of a three-year curriculum including different types of experiences and topical areas that would support and cultivate the interests of medical residents who desire rural practice in Tennessee; and
 - A.3.d. Recommending how telecommunications can be used in rural practice sites for resident education and for continuing education for new rural health professionals.
- A.4. The Contractee will begin to promote rural primary care residency rotations by:
 - A.4.a. Conducting a survey of family practice and other appropriate residency programs to identify existing models of resident rotations in rural practice;

- A.4.b. Developing criteria for optimal rural rotations (types of sites, rural experiences, curricular models, etc.);
- A.4.c. Recommending criteria for sites and resources necessary to support resident and site time, expenses within the limits of the TennCare stipend program; and
- A.4.d. Making recommendations on requirements for rural rotations for Stipend awardees.
- A.5. The Contractee will recommend improvements to the TennCare Residency Stipend Program by:
 - A.5.a. Conducting a survey of previous Stipend awardees and designated medical school representatives to identify recommendations for potential changes;
 - A.5.b. Clarifying minimum stipend contract standards with Bureau of TennCare;
 - A.5.c. Reviewing Statewide Recruitment and Retention Plan recommendations on combined marketing programs for Stipend and other incentive programs;
 - A.5.d. Discussing potential collaboration and conflicts with other rural placement and practice incentive programs to identify potential marketing links;
 - A.5.e. Conducting focus groups in selected residences to identify desirable program characteristics for potential Stipend awardees; and
 - A.5.f. Producing final recommendations that link Stipend awards with primary care residency rotations in rural practices that will result in more medical residents choosing to participate in a revised Stipend Program and practice in rural Tennessee communities.
- A.6. The Contractor will establish placement processes and systems by:
 - A.6.a. Contracting with Minnesota Center for Rural Health for technical assistance and guidance, recommend structures and processes for a statewide rural recruitment and retention program;
 - A.6.b. Conducting a second, validation survey using the Statewide Demand Assessment comprehensive survey and producing a second Tennessee Practice Opportunity Directory;
 - A.6.c. Identifying and designating key residency contacts for involvement in recruitment;
 - A.6.d. Securing arrangement for use of Practice Sights software with the Tennessee Department of Health;
 - A.6.e. Joining national rural recruiting organization 3RNET and publicizing Contractee's existence and services to prospective recruits and organizations;
 - A.6.f. Loading practice site data from first Demand Assessment and updating data from second Demand Assessment; and
 - A.6.g. conducting visits with Tennessee medical residency and other appropriate health professions education programs;
- A.7. The Contractee will establish the Tennessee Specialty Resident Rural Practice Experience Program by:

- A.7.a. Producing recommendations through a multi-institutional Task Force for rural practice experiences that will result in desired specialty resident knowledge, attitudes and future practice skills for recommended specialty residencies to include all four medical schools;
- A.7.b. Developing potential models for rural experiences including specialty resident and attending physician time in selected rural hospitals and practice sites that will meet educational objectives, improve delivery of specialty care, and improve referral communication with rural sites;
- A.7.c. Requesting TennCare to identify rural counties/regions with specialty care access difficulties by types of care;
- A.7.d. Conducting the first Task Force meeting at RHAT Conference to review R&R Plan concepts, presentation of models and establishing multi-year timeframe; and
- A.7.e. Producing recommendations for a request for proposal process to match rural sites with specialty residency training to include descriptive materials on program goals, strategies and objectives, proposed resource availability and limitations, and a bidding process and criteria for selection for pairs of residency training programs and rural hospitals and practice sites.
- A.8. The Contractee will establish a statewide tracking system by:
 - A.8.a. Convening Advisory Group to discuss current status of tracking systems and objectives for establishing statewide system;
 - A.8.b. Completing report on variables to be tracked, by whom and why;
 - A.8.c. Conducting an initial tracking test to identify practice locations and post-graduate fellowships for residents completing training in 2005; and,
 - A.8.d. Surveying characteristics of other state tracking systems.

B. CONTRACT TERM:

- B.1. Term of Contract. This Contract shall be effective commencing on execution and approval by all parties with an initial term of one year.
- B.2. Term Extension. This contract may be renewed for an additional four one year periods; however, any subsequent renewals will require submission of the recommendation report and approval of the Fiscal Review Committee. ETSU shall have no obligation for services rendered by the contractee, which are not performed within the specified period. An extension of the term of this Contract will be affected through an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in ETSU's maximum liability will also be affected through an amendment to the Contract and shall be based upon rates provided for in the original contract.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of ETSU under this Contract exceed the amount of ETSU Graduate Medical Education Program payment designated for the Residency Stipend Program as calculated by TennCare Bureau. This amount shall constitute the maximum amount due the Contractee for the service and all of the Contractee's obligations hereunder. The Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractee under this Contract.
- C.2. Compensation Firm. Based on funding from the TennCare bureau, the maximum liability of ETSU is not subject to escalation for any reason unless amended. The Contract Budget amounts are

firm for the duration of the Contract and are not subject to escalation for any reason unless amended, except as provided in Section C.5.

- C.3. Payment Methodology. The Contractee shall be compensated for actual, reasonable, and necessary costs based upon the Budget, not to exceed the maximum liability established in Section C.1. The Contractee may submit an invoice to ETSU for one-quarter of the total Budget provided in Section C.1 upon execution of the Contract. Thenceforth upon progress toward the completion of the work as described in Section A of this Contract, the Contractee shall submit invoices, in form and substance acceptable to ETSU, with all of the necessary supporting documentation, for reimbursement of allowable costs. Such invoices shall be submitted no more often than quarterly. Invoices shall indicate at a minimum the amount charged by budget line-item for the period invoiced, the amount charged by line-item to date, the total amount charged for the period invoiced, and the total amount charged under this Contract to date. Submission of the fourth quarterly invoice shall represent a preliminary year-end reconciliation of invoiced costs with payments made by ETSU during the contract year. The final invoice shall indicate any balance due by ETSU to the Contractee, or, include a repayment to ETSU by the Contractee of payments in excess of allowable costs.
- C.4. Travel Compensation. Reimbursement to the Contractee for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as they are amended from time to time and subject to the Budget.
- C.5. Budget Line-items. Expenditures, reimbursements, and payments under this Contract shall adhere to the Budget. The Contractee may request revisions of Budget line-items by letter, giving full details supporting such request, provided that such revisions do not increase the total Contract amount. Budget line-item revisions may not be made without prior, written approval of ETSU in which the terms of the approved revisions are explicitly set forth. Any increase in the total Contract amount shall require a contract amendment.
- C.6. Disbursement Reconciliation and Close Out. The Contractee shall submit a final Contract disbursement reconciliation report within three (3) months of the end of the Contract. This report shall be submitted with a copy of certified public accountant's audit of the contract year in form and substance acceptable to ETSU. ETSU will not be responsible for the payment of invoices that are submitted to the state after the final Contract disbursement reconciliation report.
- If total disbursements by ETSU pursuant to this Contract exceed the amounts permitted by the Section C, Payment Terms and Conditions of this Contract, the Contractee shall refund the difference to ETSU. The Contractee shall submit said refund with the final contract disbursement reconciliation report.
- The Contractee must close out its accounting records at the end of the Contract period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.
- C.7. Indirect Cost. The Contractee shall not seek reimbursement for indirect costs.
- C.8. Cost Allocation. All costs to be reimbursed under this Contract are considered joint costs involving allocation to more than one university contractor. Such costs shall be allocated and reported in accordance with the distribution formula used under the TennCare Graduate Medical Education contracts. The final certified public accountant audit shall confirm that this cost allocation formula was used.
- C.9. Payment of Invoice. The payment of the invoice by ETSU shall not prejudice ETSU's right to object to or question any invoice or matter in relation thereto. Such payment by ETSU shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs invoiced therein.

C.10. Unallowable Costs. The Contractee's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by ETSU, on the basis of audits or monitoring conducted in accordance with the terms of this Contract, not to constitute allowable costs.

C.11. Deductions. ETSU reserves the right to deduct from amounts which are or shall become due and payable to the Contractee under this or any Contract between the Contractee and ETSU any amounts which are or shall become due and payable to ETSU by the Contractee.

C.12. Automatic Deposits. The contractee shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractee by the State. Once this form has been completed and submitted to ETSU by the Contractee all payments to the Contractee, under this or any other contract the Contractee has with ETSU shall be made by Automated Clearing House (ACH). The Contractee shall not invoice ETSU for services until the Contractee has completed this form and submitted it to the State.

D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. ETSU is not bound by this Contract until it is approved by the appropriate officials in accordance with applicable Tennessee State laws and regulations.

D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.

D.3. Termination for Convenience. ETSU may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by ETSU. ETSU shall give the Contractee at least 30 days written notice before the effective termination date. The Contractee shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall ETSU be liable to the Contractee for compensation for any service which has not been rendered. The final decision as to the amount, for which ETSU is liable, shall be determined by ETSU. Should ETSU exercise this provision, the Contractee shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.4. Termination for Cause. If the Contractee fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractee violates any terms of this Contract, ETSU shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractee shall not be relieved of liability to ETSU for damages sustained by virtue of any breach of this Contract by the Contractee.

D.5. Subcontracting. The Contractee shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of ETSU. If such subcontracts are approved by ETSU, they shall contain, at a minimum, sections of this Contract pertaining to Conflicts of Interest, Lobbying, Nondiscrimination, Public Accountability, and Public Notice (Sections D.6, D.7, D.8, D.9, and D.10). Notwithstanding any use of approved subcontractors, the Contractee shall be the prime contractor and shall be responsible for all work performed.

D.6. Conflicts of Interest. The Contractee warrants that no part of the total Budget shall be paid directly or indirectly to an employee or official of ETSU as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractee in connection with any work contemplated or performed relative to this Contract except as indicated as a sub-contracted item with ETSU in the Scope of Services in Section A.

D.7. Lobbying. The Contractee certifies, to the best of its knowledge and belief, that:

- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Contractee, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, loan, or cooperative agreement.
- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Contract, loan, or cooperative agreement, the Contractee shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Contractee shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, loans, and cooperative agreements) and that all sub-recipients of federally appropriated funds shall certify and disclose accordingly.

D.8. Nondiscrimination. The Contractee hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractee on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractee shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.9. Public Accountability. If this Contract involves the provision of services to citizens by the Contractee on behalf of ETSU, the Contractee agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and the Contractee agrees to display a sign stating:

"NOTICE: This Contractee is a recipient of taxpayer funding. If you observe an employee engaging in any activity which you consider to be illegal or improper, please call the State Comptroller's toll free hotline: 1-800-232-5454"

Said sign shall be displayed in a prominent place, located near the passageway(s) through which the public enters in order to receive Contract supported services.

D.10. Licensure. The Contractee and its employees and all sub-Contractees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.

D.11. Records. The Contractee shall maintain documentation for all charges against ETSU under this Contract. The books, records, and documents of the Contractee, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the state agency, the Comptroller of the Treasury, or their duly appointed representatives. The records of not-for-profit entities shall be maintained in accordance with the *Accounting Manual for the Recipients of Contract Funds in the State of Tennessee*, published by the Tennessee Comptroller of the Treasury. The financial statements shall be prepared in accordance with generally accepted accounting principles.

- D.12. Monitoring. The Contractee's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by ETSU, the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.13. Progress Reports. The Contractee shall submit brief, periodic, progress reports quarterly to ETSU to accompany the invoices under Section C.3.
- D.14. Annual Report and Audit. The Contractee shall prepare and submit, within three (3) months after the close of the reporting period, an annual report of its activities funded under this Contract and shall include audited financial statements. All books of account and financial records shall be subject to annual audit by the Tennessee Comptroller of the Treasury or the Comptroller's duly appointed representative. When an audit is required, the Contractee may, with the prior approval of the Comptroller, engage a licensed independent public accountant to perform the audit. The audit contract between the Contractee and the licensed independent public accountant shall be on a contract form prescribed by the Tennessee Comptroller of the Treasury. Any such audit shall be performed in accordance with generally accepted government auditing standards, the provisions of OMB Circular A-133, if applicable, and the *Audit Manual for Governmental Units and Recipients of Contract Funds* published by the Tennessee Comptroller of the Treasury. The Contractee shall be responsible for reimbursement of the cost of the audit prepared by the Tennessee Comptroller of the Treasury, and payment of fees for the audit prepared by the licensed independent public accountant. Payment of the audit fees of the licensed independent public accountant by the Contractee shall be subject to the provisions relating to such fees contained in the prescribed contract form noted above. Copies of such audits shall be provided to the designated cognizant state agency, the State Granting Department, the Tennessee Comptroller of the Treasury, and the Department of Finance and Administration and shall be made available to the public.
- D.15. Procurement. If the other terms of this Contract allow reimbursement for the cost of goods, materials, supplies, equipment, and/or services, such procurement shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. Further, if such reimbursement is to be made with funds derived wholly or partially from federal sources, the determination of cost shall be governed by and reimbursement shall be subject to the Contractee's compliance with applicable federal procurement requirements.
- The Contractee shall obtain prior approval from ETSU before purchasing any equipment under this Contract.
- D.16. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.17. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractee, being an independent contractor and not an employee of ETSU, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractee's employees, and to pay all applicable taxes incident to this Contract.

- D.18. ETSU Liability. ETSU shall have no liability except as specifically provided in this Contract.
- D.19. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.20. State and Federal Compliance. The Contractee shall comply with all applicable state and federal laws and regulations in the performance of this Contract.
- D.21. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractee agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractee acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.22. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.23. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.24. Headings. Section headings are for reference purposes only and shall not be construed as part of this Contract.
- E. SPECIAL TERMS AND CONDITIONS:
- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

ETSU:

East Tennessee State University
 Department of Finance and Administration
 Box 70420, Johnson City, TN 37614
 (423) 439-6318
 (423) 439-8854 Fax

The Contractee:

Tennessee Rural Health Recruitment and Retention Center
Nashville, TN

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is confirmed telephonically by the sender if prior to 4:30 p.m. EST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractee. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractee shall cease all work associated with the Contract. Should such an event occur, the Contractee shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractee shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. Equipment Acquisition. This Contract does not involve the acquisition and disposition of equipment acquired with funds provided under this Contract.
- E.5. Workpapers Subject to Review. The Contractee shall make all audit, accounting, or financial analysis workpapers, notes, and other documents available for review by ETSU and the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.
- E.6. Prohibited Advertising. The Contractee shall not refer to this Contract or the Contractee's relationship with ETSU hereunder in commercial advertising in such a manner as to state or imply that the firm or its services are endorsed.
- E.7. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractee by ETSU or acquired by the Contractee on behalf of ETSU shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractee to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractee's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractee of this Contract; previously possessed by the Contractee without written obligations to ETSU to protect it; acquired by the Contractee without written restrictions against disclosure from a third party which, to the Contractee's knowledge, is free to disclose the information; independently developed by the Contractor without the use of ETSU's information; or, disclosed by ETSU to others without restrictions against disclosure. Nothing in this paragraph shall permit the Contractee to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractee due to intentional or negligent actions or inactions of agents of ETSU or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.8. HIPAA Compliance. The Contractee warrants to ETSU that it is familiar with the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this Contract. Contractee warrants that it will cooperate with ETSU in the course of performance of the Contract so that both parties will be in compliance with HIPAA, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations. Contractee will sign any documents that are reasonably necessary to keep ETSU and Contractee in compliance with HIPAA, including but not limited to business associate agreements.
- E.9. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," the Contractee shall prohibit smoking of tobacco products within any indoor premises in which services are provided to individuals under the age of eighteen (18) years. The Contractee shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Contract.
- E.10. Date/Time Hold Harmless. As required by **Tennessee Code Annotated**, Section 12-4-118, the contractor shall hold harmless and indemnify ETSU; its officers and employees; and any agency or political subdivision of the State for any breach of contract caused directly or indirectly by the failure of computer software or any device containing a computer processor to accurately or properly recognize, calculate, display, sort or otherwise process dates or times.
- E.11. Hold Harmless. The Contractee agrees to indemnify and hold harmless ETSU as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractee, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractee further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractee to ETSU.
- In the event of any such suit or claim, the Contractee shall give ETSU immediate notice thereof and shall provide all assistance required by ETSU in ETSU's defense. ETSU shall give the Contractee written notice of any such claim or suit, and the Contractee shall have full right and obligation to conduct the Contractee's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractee, through its attorney(s), the right to represent ETSU in any legal matter, such rights being governed by **Tennessee Code Annotated**, Section 8-6-106.
- E.12. Debarment and Suspension. The Contractee certifies, to the best of its knowledge and belief, that it and its principles:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal or State department or agency;
 - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining attempting to obtain, or performing a public (Federal, State, or Local) transaction or Contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;

- c. are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or Local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (Federal, State, or Local) terminated for cause or default.

IN WITNESS WHEREOF:

TENNESSEE RURAL HEALTH RECRUITMENT AND RETENTION CENTER:

President

William P. Miller

Date

1-09-08

EAST TENNESSEE STATE UNIVERSITY:

Ronald D. Franks, MD

Date

Vice President for Health Affairs and Dean, Quillen College of Medicine

Paul E. Stanton, Jr.

12/1/05

Paul E. Stanton, Jr., MD

Date

President

Charles W. Manning
RHA

12-8-05